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**FISCAL IMPACT STATEMENT**

**LS 6983**

**BILL NUMBER: SB 377**

**NOTE PREPARED:** Feb 23, 2007

**BILL AMENDED:** Feb 22, 2007

**SUBJECT:** Real Estate Appraisers.

**FIRST AUTHOR:** Sen. Becker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) *Real Estate Appraisers Continuing Education*- The bill requires that continuing education for real estate appraisers be approved by the Appraiser Qualifications Board (AQB) or the Real Estate Appraiser Licensure and Certification Board (REALCB) for specific courses or course subjects. The bill provides that a person may not conduct, solicit, or accept student enrollment for a real estate appraiser school or course represented as satisfying the requirements of the real estate appraiser licensure board without approval of the school or course by the AQB.

*Investigative Fund Fee*- The bill repeals and replaces a provision that requires the real estate appraiser licensure and certification board to submit recommendations to the Real Estate Commission to establish a fee of not more than \$20 to fund the Investigative Fund. The bill repeals a provision that requires a person to submit certain items to the real estate appraiser licensure and certification board to obtain approval of a real estate appraiser course.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** (Revised) *Real Estate Appraisers Continuing Education*- The Real Estate Appraiser Licensure and Certification Board would be relieved of reviewing pre-licensing and continuing education courses to conduct other business. The REALCB would continue to review the Indiana license law update course. The REALCB currently spends 20 to 25 hours per course review, which impacts the staff time of Professional Licensing Agency personnel assigned to the Board. Review of the law update course takes about 5-10% of the review time currently devoted by the REALCB on all real estate appraiser education courses.

*Background: Professional Licensing Agency-* As of October 2006, the PLA had 92 full-time employees. The PLA reverted \$63,329 to the state General Fund at the close of FY 2006.

Appraiser Qualifications Board- The AQB is associated with the Appraisal Foundation, which is funded in part by federal grants, publication sales, and services. The Foundation is a private nonprofit educational organization that works in conjunction with the federal Appraisal Subcommittee. The AQB reviews and approves appraiser education courses. One of the missions of the AQB is to encourage "state regulatory agencies to participate in and support [the course approval] program".

The AQB review panel is staffed by appraisal educators. The educators on staff review proposed appraisal courses, which if approved, are approved for either a one-year or three-year period.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Agency; Real Estate Appraiser Licensure and Certification Board.

**Local Agencies Affected:**

**Information Sources:** Wade Lowhorn, Professional Licensing Agency, 232-3901; State Budget Agency: FY 2006 Close-Out General Fund Reversion Summary; State of Indiana Detail Staffing Report, 10/03/2006; [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

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